# BUSINESS

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## MoUs for $4.5bn agri investment with China

### Agriculture formally included as priority area under CPEC 2.0

By Amin Ahmed

ISLAMABAD: Private sector entities of Pakistan and China have signed 78 memoranda of understanding worth $4.5 billion at the conclusion of Pak-China Agriculture Investment Conference, marking agriculture's elevation as a priority sector under the second phase of CPEC.

Briefing the media on Tuesday, Minister for National Food Security and Research Rana Tanveer Hussain said the conference would contribute to increased bilateral agricultural trade, expanded investment in priority sub-sectors, modernisation of production and processing systems, and the establishment of commercial partnerships between private sector entities of the two countries.

Cooperation across 10 priority sub-sectors of agriculture includes collaboration in seed production technology; export of heat-treated beef; construction of grain storages and warehouses; strengthening ties for cheese production and export; improvement of local milk processing machinery; export of heat-treated offal; collaboration in buffalo UHT milk and camel milk powder; poultry machinery and technology; chemicals and bio-pesticides; feed mill equipment; renewable technologies in irrigation; value addition in mango pulp and tea; efficient fodder production; fish and shrimp feed technology; fruit processing; development of sweet and seedless Chinese citrus orchards in Pakistan; value addition of rice; soya milk packaging; and exchange of best citrus varieties with mango (chaunsa) variety.

Of the 78 agreements signed, 37 were business-to-business investment agreements, 24 joint ventures and 14 partnership agreements. The 10 priority sectors identified were agri-chemicals and inputs; agri-machinery; food processing and value addition; meat and poultry industry; dairy products; fruits and vegetables; animal feed; fisheries and aquaculture; cold chain systems; and food-grade packaging and equipment.

To ensure implementation of the MoUs, dedicated units were being established in the ministry as well as at the Pakistan Embassy in Beijing to oversee follow-up, the minister said. He added that enhanced cooperation in agriculture would help boost Pakistan's exports. Currently, Pakistan exports agricultural products worth $8bn, and the government aims to double this figure over the next three years.

Mr Hussain explained that the conference was conceived as a targeted, investment-focused platform rather than a general consultative forum. Its design emphasised direct private sector engagement, investment matchmaking and facilitation support, aligned with national priorities for agricultural modernisation and export-led growth.

He said 116 Chinese companies and 165 Pakistani companies were invited to participate, enabling business-to-business matchmaking between shortlisted firms from both sides. Pakistan also showcased investable projects, value chains and policy reforms. He added that Pakistan had already signed a protocol for milk products with China.

Documents revealed that the food security ministry plans to sign more than 25 sanitary and phytosanitary (SPS) and export protocols with key partners, including China, in 2026. Pakistan plans to introduce a new seed policy and a national agricultural biotechnology policy to create pathways for GMO seeds.

Proposals are under consideration to allow the export of pesticides and fertilisers under specific conditions, particularly targeting regional and African markets.

The participants of the conference were informed that Pakistan's annual fruit production exceeds 10 million tonnes, while vegetable production stands at over 9m tonnes. With a rising population, domestic demand is growing at more than 5pc annually.

## OGDCL makes another discovery in Kohat

ISLAMABAD: The Oil and Gas Development Company Ltd (OGDCL) on Tuesday announced discovery of major oil and gas reserves at its existing exploratory well in Kohat District of Khyber Pakhtunkhwa.

In a statement, the OGDCL, which is the operator of the Nashpa Exploration License, said it made a discovery at its exploratory well Baragzai X-01 (Slant), located in the Kohat district of Khyber Pakhtunkhwa. The discovery has been made over the Samana Suk and Shinawari formations.

"The well tested positive during Cased Hole Drill Stem Test (CHDST-03) in the Samana Suk and Shinawari formations, flowing 3,100 barrels of oil per day (BOPD) and 8.15 million standard cubic feet per day (MMSCFD) of gas through a 32/64-inch choke at a wellhead flowing pressure of 3,010 pounds per square inch gauge (PSIG)", it said adding that within a month, the company added 9,480BOPD, about 14.5pc of Pakistan's domestic crude oil production that currently stands close to 66,000BOPD.

Baragzai X-01 (Slant) was spudded on December 30, 2024, as an exploratory well to evaluate the hydrocarbon potential of multiple formations, including Lockhart, Hangu, Lumshiwal, Samana Suk, Shinawari, Datta, and Kingriali. The well was successfully drilled to a total depth of 5,170 metres into the Kingriali Formation. —Staff Reporter

| | | | |
|---|---|---|---|
| US DOLLAR | BUYING Rs280.42 SELLING Rs281.32 | EURO | BUYING Rs327.59 SELLING Rs330.55 |
| GBP | BUYING Rs377.20 SELLING Rs380.50 | UAE DIRHAM | BUYING Rs76.53 SELLING Rs77.30 |
| KSA RIYAL | BUYING Rs74.84 SELLING Rs75.46 | GOLD | TOLA Rs493,662 10 GMS Rs423,235 |

## IsDB approves $603m for three projects

### Sukkur-Hyderabad Motorway gets $475m financing

By Khaleeq Kiani

ISLAMABAD: The 306-kilomtre Sukkur-Hyderabad Motorway (M-6) worth $1.7 billion on Tuesday got a boost after Pakistan and Jeddah-based Islamic Development Bank (IsDB) entered into three financing agreements worth $603 million.

The two sides formally signed three loan agreements totalling about $603 million to finance the M-6 Sukkur-Hyderabad Motorway Project, the Poverty Graduation of Extremely Poor and Flood-Affected Households Project (PGEP), and the Out-of-School Children project for Azad Jammu and Kashmir.

The project agreements were signed by IsDB Vice-President Dr Rami Ahmad and Economic Affairs Division Secretary Muhammad Humair Karim.

Under the agreements, IsDB will provide $475m in financing for the M-6 Sukkur-Hyderabad Motorway, a key link to the proposed Peshawar-Karachi Motorway. Pakistan also signed an agreement with IsDB to launch the Poverty Graduation of Extremely Poor and Flood-Affected Households (PGEP) project, a landmark initiative aimed at transitioning ultra-poor households from dependence on cash assistance to sustainable livelihoods, resilience, and economic self-reliance. PGEP has a total outlay of $134.2m, of which IsDB will contribute $118.4m.

The IsDB approved a $475m loan in October 2025 for the M-6 motorway project to enhance Pakistan's transport infrastructure by improving connectivity along a key corridor.

The M-6 is the only missing segment in the north-south motorway network linking Karachi to Peshawar.

The project is estimated to cost $1.7bn with six lanes designed for speeds up to 120km per hour. It will include 89 bridges, 15 interchanges, and 243 underpasses. The M-6 is part of the broader Eastern Alignment of the China-Pakistan Economic Corridor (CPEC). The project's construction is expected to begin in April this year, and land acquisition is currently in the final stage.

The project has faced several delays and financing challenges. The project has increased from $617m in 2018 to $1.1bn in 2022 and now stands at $1.7bn in 2025, mainly due to delays. The Saudi Fund for Development and the Asian Development Bank are other financiers of the project.

The $118m second loan for PGEP will be implemented in 25 districts (20 selected based on the Multidimensional Poverty Index (MPI 2024) and the five most flood-affected districts from the 2022 and 2025 floods). The project aims to reach 160,866 households and create 100,000 employment opportunities through integrated asset transfers, interest-free loans, skills development, rainwater harvesting, climate-smart agriculture, and interventions by business service providers.

The PGEP reflects the Government's commitment to shifting from consumption-based safety nets to graduation-focused, resilience-driven development, aligned with national priorities and the Sustainable Development Goals, an official statement said.

Furthermore, for the Out-of-School Children project in Azad Jammu and Kashmir, IsDB will provide $10 million, which will help bring about 60,000 out-of-school children back into classrooms and support training for 4,000 teachers.

The IsDB vice-president stated that the bank was keen on expanding cooperation with Pakistan in areas of mutual interest.

## Early rice export deal sought with Indonesia

By Our Staff Reporter

ISLAMABAD: Pakistan has urged Indonesia to finalise a memorandum of understanding (MoU) for rice exports on a government-to-government (G2G) basis at the earliest.

The issue was among those discussed during a meeting between Commerce Minister Jam Kamal and Ambassador of Indonesia to Pakistan Chandra Warsenanto Sukotjo on Tuesday.

Prime Minister Shehbaz Sharif has tasked the commerce minister with exploring opportunities for rice and kinnow exports to Indonesia.

An official announcement said the rice MoU, originally signed in 2015, provided for up to one million tonnes of rice procurement annually on a G2G basis. However, the MoU expired in 2019. Pakistan has shared a revised draft with the Indonesian side and expressed hope for its early finalisation to institutionalise long-term cooperation in the staple commodity.

During the meeting, the minister briefed the ambassador on Pakistan's evolving trade strategy, focusing particularly on rice exports, which the prime minister has identified as a key priority.

He noted that Pakistan remains among the world's leading rice exporters, offering internationally recognised quality, while acknowledging that global price competition — especially following recent market interventions by major producers — has created challenges for exporters.

Pakistan is keen on re-engaging selected partner countries, including Indonesia, through both open-market and G2G frameworks, said Mr Kamal, stressing that price, reliability, and quality are central considerations for importing countries.

DAVOS: The UAE delegation poses for a photograph during annual meeting of the World Economic Forum on Tuesday.—AFP

## Auto loans rise for 13th month

By Aamir Shafaat Khan

KARACHI: The outstanding auto loans grew for the 13th consecutive month, reaching Rs319 billion at the end of December 2025 from Rs318bn in November, State Bank of Pakistan (SBP) data revealed.

The December 2025 growth appears slow compared to previous months, as buyers opted to delay vehicle purchases due to the change in model year and new registration.

However, this recovery remains modest compared to June 2022, when annual car sales volumes were around 240,000 units, and auto financing peaked at Rs368bn.

Topline Securities CEO Mohammed Sohail said: "New models and falling interest rates will keep the auto financing pace despite the Rs3 million limit."

Auto sales (cars, SUVs, pickups and vans) during 6MFY26 swelled by 46pc to 88,322 units from 60,676 units in 6MFY25, driven by new entrants, easing inflation, low interest rates and improving macroeconomic sentiment.

Auto sales may remain robust in the coming months due to a massive increase of 144pc in imports of semi and completely knocked down kits by the assemblers to $982m in IHFY26 from $402m from a year ago despite claims of achieving higher localisation.

As assemblers further gear up for new models in 2026, Sazgar Engineering Works Ltd (SEWL), in a stock filing on Tuesday, has said that it shall commence the bookings of completely knocked down (CKD) models of "TANK-500 Hi4-T 4X4 2.0L Turbo AT PHEV and HEV" from Jan 26.

Azeem Akhundzada at Sherman Securities said that competitive pressures in Pakistan's passenger vehicle market have intensified further with JAECOO's launch of the J5 HEV at a highly aggressive price of Rs7.6mn, making it the cheapest HEV SUV currently available in the market.

This pricing places the J5 in direct competition not only with HAVAL Jolion HEV and H6 HEV, but also with HR-V HEV, Corolla Cross HEV, KIA Sportage HEV, and even high-end sedan variants such as Toyota Altis, which are priced in a similar range.

With SUVs dominating recent launches and price competition becoming the primary differentiator, he expects that competitive landscape to remain structurally challenging for listed assemblers.

## Dollar slide sparks economic fears

By Shahid Iqbal

KARACHI: The depreciation of the US dollar against the rupee has reached a point where its multidimensional negative impacts could hit the economy, industry sources warned.

After slipping below Rs280 on Monday, the greenback was trading at Rs279.91 on Tuesday, while currency experts believe it may decline further against the rupee, albeit at a slower pace.

There is no disagreement in the financial market that the exchange rate is being managed, yet it has succeeded in bringing stability to the economy on the external front. "If the dollar further depreciates, exporters would not sell their entire proceeds, as options remain open to sell at a better price," said a currency expert.

So far, exporters are under strict vigilance by the State Bank, and it appears difficult to sell export proceeds outside the banking market; however, currency dealers said there is always room on the other side of the market.

"Further depreciation of the dollar against the rupee could have a negative impact on remittances, as witnessed in the past when the dollar found a path into the black market," said Tresmark CEO Faisal Mamsa, adding that the State Bank should look into the issue seriously before it starts hurting the economy.

"The turning point came when sentiment deteriorated. As confidence weakened, flows slowed, and expectations changed abruptly. The rupee's behaviour at that stage became sentiment-driven rather than valuation-driven. At that point, policy responses mattered enormously," said Mamsa.

Other currency dealers said remittance senders could sell their dollars before they land in the country, which may alter sentiment. So far this year, remittances have increased by 10.6 per cent in the first six months of FY26.

Exchange companies sold about $1.4bn to banks during July-December FY26, compared with around $2bn in the corresponding period of FY25.

Currency experts said keeping the dollar around Rs280 appears preferable, as further depreciation could attract activity to the crypto market. Unofficial data show that the crypto market has already attracted $800m this year.

Exporters have also started investing abroad, as the country's largest garment exporter, Interloop, has established a unit in Egypt. Experts said heavy taxes on industries and a lack of incentives could prompt more exporters to go abroad.

## Gold surges to Rs493,662 per tola

By Our Staff Reporter

KARACHI: The yellow metal continued to shine in the world market, pushing domestic 10-gram and one-tola rates to a new all-time high of Rs423,235 and Rs493,662 on Tuesday, up by Rs3,686 and Rs4,300, respectively.

According to the rates issued by the All Pakistan Sarafa Gems and Jewellers Association (APSGJA) based on interbank exchange rates, the world gold market has surged by $43 per ounce to $4,713.

As per Reuters, gold climbed to a fresh record high as escalating geopolitical tensions boosted safe-haven demand. Gold, seen as a safe store of value during economic and political instability, soared 64pc in 2025 and has added another 10pc since the start of the year. The metal's rally has also been supported by expectations of U.S. interest rate cuts, which reduce the opportunity cost of holding non-yielding bullion.

APSGJA President Qasim Shikarpuri said that investors have intensified their purchases of gold worldwide, including in Pakistan, since US President Donald Trump announced tariffs on European countries.

He said gold jewellery buying in the country continues to get weaker with every fresh increase in local rates. "Families come to the shops for gold, polishing their silver jewellery for their daughters' wedding instead of purchasing pure gold jewellery," he said.

Qasim claimed that gold in Pakistan is selling below cost by Rs30,000 per tola compared to Dubai rates.

## Index surges past 188,000 on rate cut hopes

By Muhammad Kashif

KARACHI: Anticipation of an interest rate cut at the upcoming monetary policy meeting continued to fuel broad-based value hunting on Tuesday, as investors brushed aside a widening current account deficit and a sharp fall in foreign investment to propel shares to yet another record.

The benchmark KSE-100 index crossed the 188,000-point barrier for the first time, extending its overnight rally. According to Topline Securities Ltd, the index closed at 188,621.78 points, up 860.09 points or 0.46 per cent, after a volatile session in which it touched an intraday high of 188,958.38 and a low of 187,192.02.

The brokerage attributed the upward momentum primarily to buying by local mutual funds.

Engro Holdings, Pakistan Petroleum, Sazgar Engineering Works, Oil and Gas Development Company and PSO collectively added 661 points to the index. However, losses in Meezan Bank, Hub Power and United Bank partly offset the gains, dragging the benchmark down by 249 points.

Overall market activity remained healthy, with trading volume rising 2.26pc to 1.22 billion shares, while traded value increased 1.5pc to Rs63.8bn. Hascol Petroleum led the volume chart with 113 million shares.

Meanwhile, Pakistan posted a current account deficit of $244 million in December 2025, reversing surpluses of $454m in December 2024 and $98m in November 2025. During the first half of FY26, the current account recorded a deficit of $1.174bn, compared with a surplus of $957m in the same period last year. The country also saw a net foreign direct investment outflow of $135m in December.

Ali Najib, deputy head of trading at Arif Habib Ltd, said the Pakistan Stock Exchange extended its bullish momentum, with the index hitting another all-time high.

"The session witnessed a tug of war between bulls and bears; however, bulls eventually dominated, enabling the market to close on a positive note," he said, adding that sentiment remained buoyant despite selective profit-taking.

On the IPO front, the Signature Residency Developmental REIT Scheme, comprising residential and commercial components, was oversubscribed, signalling strong investor appetite.

Market participants expect the rally to continue, supported by expectations of monetary easing and improving corporate earnings, though near-term volatility may persist, with dips offering selective buying opportunities.

### PAKISTAN STOCK EXCHANGE

THE TOP FIVERS

| GAINERS | | LOSERS | | LEADERS* | |
|---|---|---|---|---|---|
| PIA Holding CoB | 200.32 | Unilever Foods | 137.41 | Hascol Petroleum | 113.00 |
| Sazgar Engg | 159.34 | Service Industries | 35.95 | K-Electric | 70.44 |
| Khyber Textile | 69.00 | Supernet Techno | 28.32 | Treet Corporation | 58.61 |
| Attock Refinery | 38.64 | Atlas Honda | 26.48 | PIBT | 49.90 |
| Shifa International | 19.93 | Sapphire Textile | 19.04 | Cnergyico PK | 49.29 |

(Share values in rupees) * Volume in millions of traded shares

| INDICATORS | Tuesday | Previous | Change |
|---|---|---|---|
| KSE 100-SHARE INDEX (Points) | 188,621.78 | 187,761.69 | ▲ 860.09 |
| KSE 30-SHARE INDEX (Points) | 57,731.36 | 57,522.35 | ▲ 209.01 |
| MARKET CAPITAL (Rs billion) | 21,304.782 | 21,194.519 | ▲ 110.262 |
| TRADING VALUE (Rs billion) | 63.897 | 63.800 | ▲ 0.97 |

ACTIVITY

| | |
|---|---|
| Total listed | 532 |
| Active | 487 |
| Gainers | 240 |
| Losers | 213 |

PARTICIPANTS

| | |
|---|---|
| Foreign | ▼$4.80m |
| Companies | ▼$0.27m |
| Banks | ▲$0.64m |
| Mutual Funds | ▲$7.33m |
| Individuals | ▼$1.34m |